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Major News Releases and Speeches

July 22 - July 29, 1983

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Testimony

U.S. Department of Agriculture • Office of Governmental and Public Affairs

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Testimony by Secretary of Agriculture John R. Block to the Foreign Affairs Committee U. S. House of Representatives, July 26, 1983 []

✓ [Mr. Chairman and members of the committee, it's a pleasure to report to you on the recent 9th Ministerial of the World Food Council held last month at the United Nations in New York, June, 1983]

During the weekend prior to the meeting, I invited a number of my WFC ministerial colleagues to visit with administration officials and agricultural leaders on my farm in Galesburg, Ill. This visit gave us all a chance to become better acquainted and provided them with a closer view of rural America. This was a valuable opportunity for the WFC ministers to observe first-hand the vitality of American agriculture.

The World Food Council, with 36 member countries, is the highest level policy-oriented organization within the international food and agricultural system of the United Nations. My fellow ministers and I met for four days in New York to discuss food and agricultural problems in the three developing regions of the world: Africa, Asia and Latin America. The goals of this ministerial were those which have concerned the council since its founding at the historic World Food Conference in 1974.

These are: to review, at the ministerial level, major problems and policy issues affecting the world food situation; and to recommend appropriate steps to the U.N. system, regional organizations and governments for an integrated approach to the solution of world food problems.

The U.S. shares the council's commitment to improve the supply of wholesome and nutritious food for consumers in every nation.

The United States supports the World Food Council's initiatives to help developing countries design and carry out their national food sector strategies. These efforts have helped governments link farm policies with food policies, giving development a more realistic framework. Now, the food sector strategies of many countries wisely give increased attention to the importance of strong incentives for

farmers. The U.S. joined others in pointing to the key role of policies, especially price policies, in agricultural production.

Africa, of course, is of special concern. Many donors emphasized this continent's particular needs and problems. But we also know that solving those problems is a lot more complex than simply giving away food. Storage, transportation and distribution problems often conspire to prevent food from getting to those who are most in need. At the same time, we have to make sure our assistance does not undermine agricultural development in the recipient country and foster a dangerous level of dependence instead of self-reliance.

In the long-term, as we look to the ultimate objective of realizing world food security, we are going to have to look to a system wherein countries produce what they can produce well. By that I mean economically, using their comparative advantage. When countries are not able to economically produce some foods, they should buy those foods from someone in the world who produces those foods at a reasonable price. I made that point many times while at the United Nations. I am not in a position on my Illinois farm to grow bananas or coconuts. But I can grow corn.

I think countries need to identify and concentrate on the crops they can grow economically. And, the countries having the necessary technology should be helping these countries. It will continue to be the policy of the United States to be totally unselfish in sharing our agricultural technology with food deficit developing countries.

At the council meeting, I announced efforts to find ways to make the P.L. 480 "Food for Peace" program more responsive to the needs of developing countries. I have asked my staff at USDA to look into two possible improvements in our food aid effort.

The first is adding multiyear planning to P.L. 480 instead of the yearly allocation system we have been following. This would help recipient countries plan more effectively the use of food they buy, both for development and food reserve systems of their own; and

The second is to encourage the use of local currencies, generated by sales of P.L. 480 commodities, to build storage and handling facilities for grains. This would address the critical distribution problems that trouble developing nations and often make it difficult to get food to needy people.

A number of nations should and could afford to hold more reserves of grain stocks. The answer to world food security lies in the actions of individual countries to implement national reserve policies. We support the decisions of those countries which have chosen to do so. No single nation, however, should be expected to serve as the food reserve for the rest of the world.

My appearance before you, the members of the Foreign Affairs Committee, for the purpose of reporting on the World Food Council Ministerial, provides an especially appropriate opportunity to comment on a little-noticed aspect of our work in the U.S. Department of Agriculture.

On the international scene, the U.S. Department of Agriculture's work is not limited to maximizing U.S. agricultural trade, as big a job as that is. In the bigger picture the U.S. Department of Agriculture works in support of other nations so that they can be stable, open, democratic, productive, prosperous and oriented towards a free-market economy. Among such nations the U.S. will find its strongest friends, allies and trading partners. In doing that work, the U.S. Department of Agriculture, coordinating closely with the other departments of the federal government, plays an important role as the the agricultural representative of U.S. government interests.

This Ninth World Food Council Ministerial was another instance of the kind of interdepartmental cooperation and mutual support which President Reagan has called for in the relations between the departments of our government. I had the honor of serving as head of delegation to this ministerial. In that position I received excellent support from members of the Department of State and the Agency for International Development.

In conclusion, I see our participation in the World Food Council as a means to strengthen the bonds of cooperation between developing and developed countries. It is another opportunity to again demonstrate we are a concerned, involved, contributing member of the world community. We are willing to listen to viewpoints which differ from ours and anxious to work with others to find and carry out the best available solutions to our problems.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

JUNE GROCERY STORE FOOD PRICES UP ONLY 0.1 PERCENT FROM YEAR EARLIER

WASHINGTON, July 22—All retail food prices in June fell 0.1 percent before seasonal adjustment, and were 1.5 percent above June a year ago, according to the monthly consumer price index released today by the U.S. Department of Labor.

According to Deputy Assistant Secretary of Agriculture Dawson Ahalt, food prices in June moderated the overall CPI which rose 0.3 percent. Prices for food bought in grocery stores fell 0.3 percent in June, bringing the price levels for food bought in grocery stores to only 0.1 percent above a year earlier. Prices for food away from home rose 0.2 percent in June and were 4.4 percent above June 1982.

These changes reflect the continued moderation in food price increases expected this year, Ahalt said. "The small rise in food prices this year is expected to be the smallest in many years, reflecting abundant supplies, small increases in marketing costs, and depressed prices for most farm food commodities," he said.

Retail meat prices decreased by 0.9 percent in June due to larger supplies of beef and pork. Pork prices fell 1.2 percent, and beef prices dropped 1 percent. This brought the CPI for meats in June to a level 2.5 percent below June a year ago.

The CPI for fresh vegetables in June was also slightly below year earlier levels. Fresh vegetable prices dropped 3 percent, primarily the result of lower tomato prices. Fresh vegetable supplies increased in June, recovering from weather related shortages earlier in the year.

The CPI for poultry rose in June due to a 2.3 percent increase in prices for fresh whole chicken. However, fresh whole chicken prices remained 3.5 percent below June of last year. Egg prices declined 4.4 percent, reflecting large supplies and continued weak export demand.

June Retail Food Prices, Percent Change for Selected Items

Items	May to June		
	Not seasonally adjusted	June1982 Seasonally adjusted	to June1983
Percent change			
All	food	-0.1	-0.3
Food away from home	0.2	0.3	4.4
Food at home	-0.3	-0.6	0.1
Meats	-0.9	-1.5	-2.5
Beef and veal	-1.0	-1.8	-3.3
Pork	-1.2	-1.7	-2.1
Other meats	-0.1	*	-0.4
Poultry	0.8	*	-2.0
Eggs	-4.4	-1.9	7.0
Fish and seafood	-0.4	-1.0	1.6
Dairy products	-0.2	*	1.4
Fats and oils	0.0	*	-0.9
Cereals and bakery prods.	0.2	*	3.1
Fruits and vegetables	0.0	-1.5	-2.4
Nonalcoholic beverages	0.0	0.1	1.5
Sugar and sweets	0.4	*	2.1
Other prepared foods	-0.4	*	3.1

* A seasonally adjusted index is not available for these items.

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FIRST U.S.-CHINA SOYBEAN GERmplasm EXCHANGE SET AT SYMPOSIUM IN CHINA

WASHINGTON, July 25—The first formal exchange of soybean germplasm between the United States and China since the normalization of relations between the two countries will take place at the second U.S.-China Soybean Symposium in Jilin, China, July 28 to Aug. 3. Joan S. Wallace, administrator of the U.S. Department of

Agriculture's Office of International Cooperation and Development said a 25-person U.S. team representing the public and private sectors will participate in symposium activities. The U.S. team will include representatives of the soybean industry, university scholars involved in soybean research, and scientists and officials from USDA.

U.S. and Chinese scientists will present papers and exchange technical information on the current status of soybean breeding and production. China is the native home of the soybean and has an abundance of soybean germplasm which can be used to improve soybean productivity and resistance to disease in the United States, Wallace said.

"Participation by the U.S. private sector enhances cooperation between government and the private industry and assists in the development of U.S. soybean products for worldwide markets," Wallace said.

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USDA EMPLOYEES GIVE GOAT TO CALIFORNIA GIRL

WASHINGTON, July 25—Eleven-year-old Roslyn Caldwell of San Dimas, Calif., today received a healthy American goat from U.S. Department of Agriculture employees who voluntarily contributed the money to buy a replacement for a foreign goat that had to be destroyed. Assistant Deputy Secretary of Agriculture Richard Douglas presented the goat to her in San Dimas.

"Early in July, a U.S. Marine unit sent Roslyn the goat that had been their mascot in Lebanon," said C.W. McMillan, assistant secretary of agriculture. "Unfortunately, it's illegal to import animals from foot-and-mouth disease infected countries such as Lebanon.

"Secretary of Agriculture John Block personally called Roslyn to tell her why we had to destroy her goat," McMillan said. "When employees of USDA's Animal and Plant Health Inspection Service learned what happened, they started a collection to buy her a replacement."

The new goat is black with a silver muzzle and ears. It is a Nubian goat, about 4 months old. The goat was located for USDA by members of the California Wool Growers Association.

"There is no cure for the highly communicable foot-and-mouth disease," McMillan said. "Thus, the imported goat represented a threat to the millions of healthy cattle, sheep and wildlife that are highly susceptible to the virus."

Between 1870 and 1929, this country suffered nine outbreaks of foot-and-mouth disease. The worst occurred in 1914, resulting in the death of more than 172,000 livestock and deer.

The U.S. has been free of the disease since 1929. In 1980, a law was passed prohibiting the import of goats, cattle, sheep, swine and other ruminants from nations infected with the disease. A University of Minnesota study estimated that, if foot-and-mouth disease became established in this country, the direct and indirect costs of the disease could easily reach \$15 billion in the first five years. Supplies of meat and milk would be greatly decreased and the cost of producing these commodities could increase by as much as 25 percent.

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ARKANSAS SLIPS TO CLASS C IN CATTLE BRUCellosis PROGRAM

WASHINGTON, July 25—Effective Aug. 1, Arkansas is being downgraded from class B to class C in the cooperative state-federal program to eradicate cattle brucellosis, a U.S. Department of Agriculture official said today.

"We've notified Arkansas officials," said John K. Atwell, deputy administrator, veterinary services, for USDA's Animal and Plant Health Inspection Service.

"The state's herd infection rate now exceeds the 1.50 limit allowed for a class B rating," Atwell said, "and there are other deficiencies that need to be corrected.

"At least 80 percent of all animals that react to brucellosis tests at market or slaughter must be traced to herds of origin under current standards for class B states. Arkansas's traceback record for a recent 12-month period was less than 60 percent.

"The lower class C rating means additional blood tests will be required to move breeding cattle within or out of state," said Atwell. "Two other states, Louisiana and Mississippi, are class C. Florida and Texas have both class C and B areas."

Eight states with moderate infection levels are class B. Twenty-two states are class A, meaning very low infection levels; and 15 are rated "free," meaning no known infection for 12 months or longer.

"Both state and federal animal health forces in Arkansas are committed to turning this situation around," said Atwell. "I'm confident that renewed emphasis on the program will permit Arkansas to correct these deficiencies and again move forward toward the goal of a brucellosis-free state."

Brucellosis, also known as Bang's disease in cattle, causes pregnant cows to abort or to give birth to weak calves. The disease can be transmitted from animals to people. Human brucellosis, sometimes called undulant fever, is very debilitating but most patients commonly respond well to intensive antibiotic treatment.

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USDA EXTENDS LOAN SETTLEMENT, AVAILABILITY DATES FOR PIK COMMODITIES

WASHINGTON, July 25—The U.S. Department of Agriculture today issued procedures to assure normal marketing practices are not disrupted for farmers who participate in USDA's payment-in-kind program.

Previously, USDA could require that some farmers either pledge their 1983 production as collateral for a price support loan and then immediately redeem the loan collateral and sell it to USDA's Commodity Credit Corporation for PIK purposes, or redeem earlier crop year loan collateral and sell it to CCC to fulfill the needs of the PIK program. In either case, the action would have been required before Jan. 1.

According to CCC Executive Vice President Everett Rank, many farmers normally do not repay CCC loans in the same year the loans were obtained nor would some farmers normally repay a 1982 or earlier

crop year loan this year. Rank said for these reasons, CCC will allow producers who would have been required to obtain or liquidate a loan for PIK purposes this year to extend both the date for doing so and their PIK availability date to Jan. 16.

Rank said this action covers only farmers who have PIK availability dates that begin Aug. 1 or earlier and who request the extension. CCC storage payments on PIK commodities will end about five months after the PIK availability date for farmers who request the extension, he said.

Producers should request extensions at their county offices of USDA's Agricultural Stabilization and Conservation Service before the end of the PIK availability period, Rank said.

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SOME GROWERS TO RECEIVE PIK RICE FROM OTHER STATES

WASHINGTON, July 25—Rice producers in states where there is an insufficient quantity of Commodity Credit Corporation-owned rice to satisfy 1983 payment-in-kind entitlements will be provided CCC-owned rice stored in other states, Secretary of Agriculture John R. Block said today.

After all of CCC's inventory in the state where the PIK was earned is distributed, some producers in Florida, Louisiana and Mississippi will receive their PIK from CCC-owned rice located in Arkansas. Some producers in Texas will receive their PIK from CCC-owned rice stored in California after all of the CCC inventory in Texas is delivered, Block said.

Rice deficits are estimated to be—in hundredweight—90,000 in Florida, 170,000 in Louisiana, 1,126,000 in Mississippi and 3,885,000 in Texas.

Block said since the California rice is of a lower class and quality than that earmarked for PIK distribution in Texas, Texas producers will receive additional quantities of California rice as compensation.

Texas producers who receive California rice as PIK compensation may substitute it for their own eligible 1983-crop rice that has been pledged as collateral for a CCC loan and may sell their 1983-crop rice,

should they wish, Block said. The substituted California rice will be treated as any other collateral commodity: farmers would have the option of either repaying the loan or forfeiting the collateral rice to CCC to satisfy the loan.

Producers receiving their PIK from rice stored outside of their state will be randomly selected, Block said.

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USDA ANNOUNCES 1983 FLUE-CURED TOBACCO PRICE SUPPORT LEVEL, GRADE SUPPORT RATES

WASHINGTON, July 26— The 1983-crop of flue-cured tobacco will be supported at \$1.699 per pound, the same as the 1982 support level, according to Everett Rank, administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

This support level is required by an amendment to the Agricultural Act of 1949 which provides that 1983 price support for all kinds of tobacco for which quotas were not disapproved shall be supported at the 1982 price support level.

"This legislation will help ensure successful operation of the tobacco program at no net cost to the taxpayer," Rank said.

As in the past, loans are unavailable on tobacco graded P5L, P5F, P5G, N1L, N1XL, N1GL, N1XO, N1PO, NO-G, N2 (second quality nondescript), W (doubtful keeping order), U (unsound) or scrap. Marketings of these low grades will be charged against the quotas of the farms on which they were produced.

Loan rates will be discounted 10 percent for any grade of supported primings which contain more dirt or sand than normal. Tobacco containing excessive sand or dirt will be graded NO-G, no grade.

The schedule of grade loan rates includes nine new grades and deletes 10 grades to more closely describe marketings.

Rank said grade loan rates range from \$1.13 to \$2.21 per pound for various grades of eligible 1983-crop flue-cured tobacco; from these rates an amount of one cent per pound may be deducted to help defray the association's overhead costs.

He said loan rates for most grades are the same as the 1982 rate. However, minor adjustments were made for a few grades to reflect the overall grade distribution and the addition and deletion of certain grades.

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**YOUTH VOLUNTEERS TO WORK ON NATURAL
RESOURCE PROJECTS** [1-3]

WASHINGTON, July 26—The federal government, ³civic groups, businesses and young people soon will begin cooperating in work ~~projects~~ on national forests under a new nationwide volunteer program ⁷ Secretary of Agriculture John R. Block said today.

✓ [The Touch America Project] gives 14- to 17-year-olds a chance to develop work skills while they help improve the nation's natural resources," Block said. "The work projects include maintaining trails, repairing or building small bridges and other facilities and improving salmon spawning channels. Some of the work will involve repairing recent flood damage to hiking trails and campgrounds."

The program will be implemented at the local level. The ²[U.S. Department of Agriculture] ~~X~~ Forest Service will provide the work opportunities but will depend on local organizations to provide sponsors and volunteers for the projects, according to Block.

Sponsors, including businesses and community organizations, will recruit volunteers or supply transportation, food, outdoor equipment, financial assistance or other support.

"The best thing about this project is that everyone who participates benefits. Volunteers gain experience, sponsors get recognition for their organization or business, and the national forests become a better place for everyone," Block said.

Businesses and organizations interested in participating in the Touch America Project should contact the nearest national forest office, listed under USDA Forest Service in local phone books.

Five national parks involved in the project are the Acadia in Maine, the Olympic in Washington, the Cuyahoga in Ohio, the Indiana Dunes

in Indiana and the Chattahoochee in Georgia. These parks are listed under U.S. Department of Interior, National Park Service.

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DELAWARE DECLARED FREE OF BOVINE TUBERCULOSIS

WASHINGTON, July 27—The U.S. Department of Agriculture has recognized Delaware as the 24th state to eradicate bovine tuberculosis.

James O. Lee, associate administrator of USDA's Animal and Plant Health Inspection Service, presented a certificate to Delaware Gov. Pierre S. duPont IV during ceremonies at the state fair in Harrington.

"This certificate brings well deserved recognition to an outstanding record of disease eradication," Lee said. "The cooperative effort between federal and state veterinarians was strongly supported by veterinary practitioners and the livestock industry. The last known TB-infected herd was slaughtered in 1964."

Lee said tuberculosis control legislation in Delaware was first enacted in 1893, and that the cooperative program with the federal government began in 1920. Since 1931, the state has provided funds for private practitioners to do the annual testing of accredited herds.

Delaware becomes the third state in 1983 to gain tuberculosis-free recognition, following Nebraska and South Dakota.

Tuberculosis-free recognition is based on a minimum 5-year freedom from any infection in the state, and on compliance with the uniform methods and rules of the state-federal cooperative program. A key element is enactment of a dealer licensing law that requires complete recordkeeping. This permits state and federal veterinarians to trace many types of infection back to source herds.

Recent statistics show the United States has approximately 112 million cattle in 1.6 million herds. Since the start of the tuberculosis eradication program in 1917, over 514 million cattle have been tuberculin tested. Nationally, the reactor rate has decreased from almost 5 percent in 1918 to .01 percent in 1982.

Other areas recognized as free of bovine tuberculosis are Arizona, Colorado, Connecticut, Maine, Maryland, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, Wisconsin, Wyoming and the U.S. Virgin Islands.

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245 NEW ON-THE-FARM TEST CAN DETECT ANTIBIOTIC RESIDUES IN LIVE ANIMALS [1]

WASHINGTON, July 28—Farmers or veterinarians can now check live cattle on the farm for traces of antibiotic residues with a simple test developed by the U.S. Department of Agriculture.

The easy-to-perform test shows overnight whether animals are free of problem residues and ready for slaughter.

"The Live Animal Swab Test—LAST—is the first tool available to quickly and inexpensively check for antibiotics before slaughter, and will decrease the possibility of animals with violative residues going to slaughter," said Donald L. Houston, administrator of USDA's Food Safety and Inspection Service, the agency responsible for federal inspection of meat and poultry. 2 ✓

"Until now, residues could be detected only by laboratory tests of carcass tissue. If violative levels were found, carcasses were condemned," he said. "Producers can avoid such violations by performing LAST routinely, as the 'last' step before the animal leaves the farm," said Houston.

"LAST requires no laboratory know-how and most supplies are not costly. Farmers can buy an incubator or make one from a picnic cooler or a heavy cardboard box," Houston said.

The test can be performed on urine from cows, calves and heifers. USDA scientists are working on a similar test for blood from cattle and other species and are developing a feed test as well.

"The test is performed using a petri dish, a harmless type of bacteria cotton swabs and a small paper disc containing the antibiotic neomycin," Houston said. "The farmer coats the gel in the petri dish with the

bacteria and places the neomycin disc on the gel. Then cotton swabs are dipped in the urine sample and put on the plate to incubate overnight. The incubator's warmth permits the bacteria to grow on the gel except where antibiotics are present."

Houston said producer organizations have joined USDA in encouraging farmers to perform LAST routinely and to market animals only after the test shows no antibiotics are present. When the test shows antibiotics, the animal should be re-tested in two or three days.

The test is adapted from the Swab Test on Premises—STOP— which USDA inspectors use in slaughterhouses to check carcasses for antibiotics," said Houston. "STOP has been used on cull dairy cows since early 1979 and was expanded to all types of animals under USDA inspection in 1982."

Step-by-step instructions for performing the LAST test and for building incubators are available from the Publications Office, FSIS-ILA, Room 1163-S, USDA, Washington, D.C. 20250. The instruction are available in USDA Handbook No. 601, "How to Perform the Live Animal Swab Test for Antibiotic Residues," or on an audio-tape cassette of the same name.

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245
NEW ADMINISTRATOR NAMED FOR USDA'S
COOPERATIVE STATE RESEARCH SERVICE [12],

✓ WASHINGTON, July 28—Secretary of Agriculture John R. Block today appointed [John Patrick Jordan] as administrator of the U.S. Department of Agriculture's Cooperative State Research Service. He replaces Walter I. Thomas, who retired.

The Cooperative State Research Service is USDA's liaison with state land-grant colleges and universities.

Jordan comes to the post from Colorado State University where he was executive director of the Institute of Agriculture. In this capacity Jordan also held the titles of director of Colorado's experiment station and extension service and was responsible for all agriculture programs within the university.

Jordan has been a member of the Joint Council on Food and Agricultural Sciences, a group that advises USDA and Congress about agricultural research, extension and teaching.

Jordan also was chairman of the experiment station committee on organization and policy and serves as chairman of the public responsibilities committee of the American Institute of Biological Sciences.

For the past nine years, Jordan has written the Encyclopedia Britannica's annual article on food and agriculture.

Jordan began his career teaching and conducting research in biochemistry at Oklahoma City University. He earned a B.S. degree in animal sciences and a Ph.D degree in biochemistry at the University of California, Davis.

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245 []
USDA SETS CONDITIONS FOR TIMBER CONTRACT EXTENSIONS

WASHINGTON, July 28—Secretary of Agriculture John R. Block said his department will move rapidly to implement extensions authorized today by the president for certain national forest timber sales. []

The extensions can be made for up to five years without requiring interest payments. They apply to sales made before Jan. 1, 1982. Many of those sales were bid at prices which cannot be profitably harvested at today's prices. The Forest Service will begin processing applications immediately, Block said. He said that unless action is taken promptly, a number of purchasers may be facing imminent contract default.

Block said the extensions to be offered will provide purchasers with the flexibility to mix harvest of the high-priced sales with more recent lower-priced sales so that their overall harvest operations are economical. Purchasers who wish to take advantage of the extensions must submit a multi-sale extension plan to the contracting officer before Dec. 31, 1983. The plan must contain an operating schedule spelling out how much timber the purchaser will harvest during each

year of the plan. The plan will have to meet minimum harvest requirements to be acceptable.

Block said the contract extensions will be subject to the following conditions:

- The operating schedule will be incorporated into individual contracts in the form of a payment schedule.
- Contracts extended will be subject to existing contract provisions regarding reappraisal at the time of extension. Rates during extension could be higher, but not lower.
- Extended contracts will be subject to an approved plan of operations designed to ensure an orderly progression of operations.
- Purchasers requesting extensions will be required to bear the cost of remarking and other additional costs to the government associated with the delay in harvesting.
- If roads specified in the contracts are not already constructed they must be done so in the first operating season of the extension.
- Extended contracts will be modified to include changes incorporated in new timber sale contracts in 1982 relating to the calculation of damages resulting from defaults.

Forest Service Chief R. Max Peterson has previously granted several one- and two-year extensions of some contracts. However, those previous extensions, made in expectation that lumber and plywood markets would soon rise, required interest payments, Block said.

Even though markets have begun to climb, it is apparent that prices may never reach the highs of the late 1970's when the high contracts were bid, Block said. Accordingly many timber purchasers would face default on their contracts without some form of relief, Block said. This could lead to bankruptcy and economic disaster for many communities dependent on the timber industry. "We believe the president's decision to authorize five-year contract extensions without interest payments provides the best compromise for the industry, the government and the dependent communities," Block said.

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245 [7]
USDA PROPOSES REVISIONS IN FOOD PLAN [2-3]

WASHINGTON, July 28—Secretary of Agriculture John R. Block today announced proposed changes in the thrifty food plan, the plan upon which food stamp allotments are based. He said the revisions would result in people getting more nutritious meals at low cost.

The thrifty plan is the least costly of four food plans developed in 1975 by the U.S. Department of Agriculture's Human Nutrition Information Service. Foods in the plan, based on the eating habits of families with relatively low food costs, allow for a nutritious and economical diet.

"We are revising the food plan because of updated information on food prices, food consumption, the nutritive value of foods and human nutritional requirement that have become available since the thrifty food plan was developed," Block said.

The proposed plan contains larger quantities of meat, dry beans, vegetables, fruit, cereal and flour for many age groups than are called for in the 1975 thrifty food plan. These changes help provide desired levels of folacin, zinc and nutrients not considered in the earlier plan.

"The changes in the plan are very important," Block said. "Knowledge about nutritive value of foods and human nutrition requirements have changed since we developed the old thrifty food plan. Good nutrition is a main thrust of the food stamp program, and we want to help food stamp families get a nutritious diet at a low cost level."

Block said he and his family will live for a week on the revised thrifty food plan diet at a cost of \$58 a week—the amount allowed a food stamp family of four with no income.

"As the federal official charged with administering the nation's feeding programs, I want to be assured that our primary feeding program—the food stamp program—is providing sufficient amounts of wholesome foods," Block said. "By trying the program myself for a week, I hope to demonstrate that wise shopping and proper selection of foods also can help families maintain wholesome, nutritious diets."

Block said USDA is conducting a nationwide nutrition education campaign to train extension service and outreach workers in shopping with thrifty food plans menus. They, in turn, pass this information to food stamp recipients.

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245
U.S.-USSR REACH AGREEMENT ON NEW LTA []

✓ WASHINGTON, July 28—Secretary of Agriculture John R. Block and Ambassador William E. Brock, U.S. trade representative, today announced the U.S. and the Soviet Union have reached agreement in principle on a new [long-term grain agreement]

The agreement will commence Oct. 1 and extend for five years. Under its terms the Soviet Union will purchase from the U.S. 9 million tons of wheat and corn in approximately equal quantities annually.

Up to 1 million tons of the minimum could be satisfied by Soviet purchases of 500,000 tons of soybeans and/or soybean meal. If the soybean/soybean meal option is exercised in any year, the minimum of wheat and corn for that year will be 8 million tons.

During any year of the agreement the Soviet Union may purchase an additional 3 million tons of wheat and corn in addition to the 9 million tons without prior consultation.

"I'm very pleased that we were able to reach agreement and maintain our agricultural trading relationship with the Soviet Union," Block said. "This will result in increased exports and assurance the USSR will continue being a major purchaser of grain grown by U.S. farmers."

The current agreement that expires Sept. 30 calls for a minimum annual purchase of 6 million tons of wheat and corn by the Soviet Union and provides an option for the Soviet Union to purchase an additional 2 million tons per year.

The general framework of the new agreement follows that of the original long-term agreement signed in 1975. The new agreement was reached today in Vienna, Austria, during the third round of negotiations.

The U.S. negotiating team was led by Ambassador Robert E. Lighthizer, deputy U.S. trade representative. Daniel G. Amstutz, under secretary for international affairs and commodity programs, was the senior USDA official on the team.

Formal signing of the agreement will take place in August.

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Background

U.S. Department of Agriculture • Office of Governmental and Public Affairs

245 WORLD HUNGER: WHAT THE UNITED STATES IS DOING [1-3].

THE PROBLEM—Each day, there are 300,000 more people in the world to feed. By the year 2000, the world's population will climb to 6 billion. Although the food situation in low-income countries has appeared to improve over the past two years, hunger and undernourishment continue for millions of people.

From the U.S. perspective, global food security includes two dimensions besides commercial trade: food aid and technical assistance. The United States is the world's largest food exporter and has donated more food to needy nations than all other countries combined.

112 **PUBLIC LAW 480**—The major program through which the United States provides food assistance to other nations is the Food for Peace Program (Public Law 480). The legislation uses U.S. agricultural abundance to combat hunger and encourage economic development in developing countries. Aid under the Food for Peace Program has already topped \$40 billion.

The direct feeding, or donation, programs provide emergency food aid to starving people and disaster victims. Most recently, USDA has provided needed food to Somalian refugees, drought victims in Ethiopia and Chad, and victims of severe weather problems in Bolivia and Peru. Direct feeding programs are especially effective because the food is directed at the poorest and most hungry. Much of the donation portion of this program is funneled through voluntary organizations and other private groups.

Although grants are an important part of U.S. food aid, the principal U.S. approach to reducing widespread malnutrition in developing countries is to encourage economic development. The objective is to increase employment and income among the poor to enable them to buy sufficient food. Food aid allows a country to save on foreign exchange, making it possible to buy other imports more urgently needed for development. Also, when the commodities are sold through local markets, the local currencies generated can be used to increase

production and employment among the poor. The assistance is provided under long-term, low interest loans.

Increased production is especially crucial in the agricultural sector. Under P.L. 480, countries use the proceeds from local sales of the program financed commodities for self-help projects that increase farm production, improve infrastructure or enhance the quality of rural life through health, nutrition or family planning projects. There are now food aid activities underway in about 70 countries. These activities total \$1.5 billion and will provide approximately 6.5 to 7 million tons in food aid for fiscal 1983.

BEYOND P.L. 480—In addition to the Food for Peace program, the U.S. Department of Agriculture has made Commodity Credit Corporation stocks of butter, cheese and nonfat dry milk available for donation both to other governments and private organizations working to assist the needy in other nations. Thus far, USDA has entered into agreements to provide a total of 67,000 tons of dairy products to Mexico, Peru, Haiti, Chile, Indonesia, Poland, Bolivia and Colombia.

The United States has traditionally played a major role in multilateral aid as well, making large contributions to multinational organizations—the Food and Agriculture Organization, the World Food Program, the World Food Council, UNICEF, international development banks and others. Last year, the United States made a pledge of \$250 million to the World Food Program for 1983-84—a 14 percent increase over its previous pledge.

3 / TECHNICAL ASSISTANCE—Food aid is only part of the solution to the world's food problems. The United States is working both bilaterally and with international organizations to share the benefits of U.S. agricultural research and technical expertise to help overcome some of the underlying problems of food production in developing countries. USDA has technical assistance projects in 76 countries; most of them are carried out in cooperation with the U.S. Agency for International Development.

USDA also has about 240 cooperative research projects abroad aimed at curbing crop diseases and building food production. In conjunction with other development-oriented agencies here and abroad, training has been provided for more than 70,000 agriculturalists from developing countries since the early 1950s. In addition, the United

States now has scientific and technical exchanges with more than 30 developed and developing countries in an effort to share agricultural knowledge for the benefit of all.

Recognizing the importance of agriculture to economic progress, more than half of U.S. bilateral assistance is directed toward programs in agriculture, rural development and nutrition. Presidential Agricultural Task Forces have been sent to Peru, Guinea, Thailand, Honduras, Liberia and Venezuela to help these nations improve their agricultural production and marketing. The Caribbean Basin Initiative is yet another example of aiding the economies of developing nations. USDA also encourages U.S. agribusinesses to invest in activities to help build the agricultural economies of developing countries. An Agribusiness Promotion Council has been established to do this work in the Caribbean Basin.

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